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Agenda items 116, 117 and 128

Financial reports and audited financial statements, and reports of the Board of Auditors

Review of the efficiency of the administrative and financial functioning of the United Nations

Report on the activities of the Office of Internal Oversight Services

Report on the activities of the Procurement Task Force

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Board of Auditors on the activities of the Procurement Task Force for the period from 1 January 2006 to 30 June 2007 (A/63/167) and the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors contained in its report on the activities of the Procurement Task Force (A/63/167/Add.1). The Advisory Committee also had before it the report of the Office of Internal Oversight Services on the activities of the Procurement Task Force for the period from 1 July 2007 to 31 July 2008 (A/63/329) and the related report of the Secretary-General containing his comments in that regard (A/63/329/Add.1). During its consideration of those reports, the Advisory Committee met with the members of the Audit Operations Committee, representatives of the Office of Internal Oversight Services, including the Chairman of the Procurement Task Force, and representatives of the Secretary-General, who provided additional information and clarification.

2. In paragraph 5 of its resolution 62/234, the General Assembly requested the Advisory Committee to request the Board of Auditors to conduct an audit of the activities of the Procurement Task Force for the period from 1 January 2006 to 30 June 2007, including in respect of its compliance with established transparency and accountability measures of the Organization and the Office of Internal Oversight Services, and to report thereon separately to the General Assembly at the main part of its sixty-third session. The Advisory Committee made the request in a letter to the Board of Auditors dated 16 January 2008.

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3. **The Advisory Committee welcomes the report of the Board of Auditors (A/63/167) and its work and analysis in this regard. The report highlights that the work of the Procurement Task Force did not expose widespread corruption at the United Nations; it also sheds light on the activities of the Procurement Task Force, the procedures followed and the difficulties encountered and makes recommendations thereon.**

4. The context of the creation of the Procurement Task Force is set out in paragraphs 1 to 8 of the Board's report (A/63/167) and its terms of reference are provided in the annex to the report; information and analysis on the financial and human resources of the Procurement Task Force is summarized in paragraphs 14 to 30 of the Board's report. The Board points out the challenges that arose. Individuals with the necessary competencies, which the United Nations lacked up to that point, had to be recruited from outside, requiring rapid training to ensure consistency of methods and adequate knowledge about the organization in which they would operate. The Board further notes that the temporary nature of the Task Force hindered the implementation of common and consistent investigative methods and that the high turnover of staff was a detriment to the retention of knowledge within the Task Force itself and to its credibility in the eyes of the staff under investigation.

5. The methodology used by the Board in conducting the audit is presented in paragraphs 9 to 13. The Committee notes that the Board read 22 final reports issued by the Task Force, and then chose a sample of 7 reports for which it examined the results of actions taken, conducted interviews and had conversations with members of the Task Force, the administration, the Under-Secretaries-General for Internal Oversight Services, Management, Legal Affairs and Peacekeeping Operations, as well as staff implicated in the investigations, among other actions.

6. The results of the audit conducted by the Board of Auditors are described in paragraphs 31 to 51 of the report. The Board points out, in paragraph 45 of its report, that "[a]s at the end of March 2008, the Procurement Task Force estimated the overall value of the contracts in which irregularities had been suspected to be around $630 million. The actual value of losses incurred could not be determined. The Procurement Task Force was only able to identify clear losses of $25 million, of which $20 million relate to the same person".

7. The Committee also notes that the Secretary-General, in his comments on the activities of the Procurement Task Force for the period from 1 July 2007 to 31 July 2008, emphasized that the amount of $630 million represented only the total contract value which, in the view of the Office of Internal Oversight Services, had been tainted by corruption and fraud. Furthermore, the Secretary-General indicated that, once the Office had completed an investigation and finalized a related report, the final determination of whether any rules had been breached was made by the Secretary-General and his programme managers, followed by internal justice procedures, where applicable. According to the Secretary-General, the findings of the Procurement Task Force should therefore be regarded as those of the Procurement Task Force and not a final determination by the Organization (A/63/329/Add.1, paras. 2-3).

8. In paragraphs 34 and table 4 of its report, the Board refers to the types of violation uncovered in the reports of the Procurement Task Force and the nature of resulting proceedings. **The Committee stresses that the Secretary-General may wish to pay particular attention to addressing the underlying reasons for these**

occurrences, inter alia by improving awareness of staff rules and regulations, as well as expeditiously improving and updating the procurement and investigation manuals.

9. In paragraphs 52 to 88 of its report, the Board of Auditors elaborates on the procedures applied by the Procurement Task Force in carrying out its tasks. As indicated therein, the rules observed in the area of investigations are set out in the Office of Internal Oversight Services Manual of Investigation Practices and Policies (published in 2005), including the requirements for due process and fairness, and in the report of the Secretary-General on rules and procedures to be applied for the investigation functions performed by the Office of Internal Oversight Services (A/55/469). Other rules, which the Board qualifies as "more favourable" to those being questioned, which were gradually added between mid-2006 and April 2007 but have not been formalized, are summarized in paragraph 58 of the report (see also para. 20 below).

10. The Board of Auditors emphasizes that it has no jurisdiction to rule on possible violations of due process by the Administration and that its findings, therefore, do not prejudge the assessments that could be brought by the jurisdictions involved with the cases. However, within the limits of its review, which is based on the sample of seven reports (see para. 5 above), the Board did not find any violation of the rules of procedure as set out in the investigation manual (A/63/167, paras. 61 and 62). Furthermore, the Board deemed it useful to include in its report criticisms expressed by staff questioned by the Procurement Task Force on the rules applicable to the investigations, in order to analyse the reasons for the criticism and recommend improvements to the process. These relate to the absence of formalization, dissemination and transparency in the rules followed by the Procurement Task Force; the conditions for the application of the existing rules; the desire for additional rights; and the clarification of the audit and investigative role of the Procurement Task Force and the applicable rules of procedures (A/63/167, paras. 66-86).

11. **The Committee is of the opinion that the Secretary-General should draw on the issues raised by the Board of Auditors and the experience gained by the Procurement Task Force in order to ensure that the Organization has internal capacity to deal with such matters in future so as to avoid the need to resort to ad hoc measures.**

12. In light of its analysis of the operations of the Procurement Task Force, the Board of Auditors makes five recommendations, which are contained in paragraph 91 (a) to (e) of its report. **The Advisory Committee recommends that the General Assembly endorse the Board of Auditors' recommendations, taking into account the Committee's own comments and recommendations.**

13. The Board of Auditors recommends that the Administration incorporate the skills and competencies of the Procurement Task Force, and lessons learned from its operations, into the permanent investigations system of the United Nations (A/63/167, para. 91 (a)). It also recommends that the Administration ensure the proper handing over of the pending investigations when the Procurement Task Force ceases to operate (A/63/167, para. 91 (e)). The Advisory Committee notes that the Secretary-General, in his comments in response to the Board of Auditors report, indicated that arrangements were being made for the transfer of knowledge, as well as to ensure that the remaining caseload was properly transferred by the end of 2008

and professionally investigated in the Investigations Division of the Office of Internal Oversight Services (A/63/167/Add.1, paras. 5 and 16).

14. The Advisory Committee also notes, as indicated in the report of the Office of Internal Oversight Services on the activities of the Procurement Task Force (A/63/329, summary and para. 4), that the Procurement Task Force, since its inception in 2006, has been assigned a caseload of 437 cases. It has completed 222 investigations and issued 29 significant reports. Upon enquiry, the Committee was informed that at least 8 more substantial reports were to be issued by the end of 2008 and that more than 150 cases would remain to be addressed. It was also informed that additional cases will continue to be referred to the Office of Internal Oversight Services.

15. In paragraph 90 of its report the Board of Auditors refers to the plans to preserve the competencies and experience of the Procurement Task Force by incorporating them into the existing Investigations Division of the Office of Internal Oversight Services. The Board is of the view that the reinforcement and restructuring of the Investigations Division should be accompanied by a review of the investigative function of the United Nations as a whole (see also A/63/167, para. 91 (b)). **In this connection, the Advisory Committee recalls its report contained in document A/62/7/Add. 35 and General Assembly resolution 62/247.** In response to paragraph 17 of Assembly resolution 62/247, the Secretary-General has submitted a report (A/63/369), which includes information on the status of implementation of Assembly resolution 59/287 and information on all the entities other than the Office of Internal Oversight Services carrying out administrative inquiries and investigations, and the status of work done under general temporary assistance resources to establish a training capacity for the Investigations Division to enable programme managers to handle category II cases of possible misconduct. **The Committee is of the opinion that, in incorporating the competencies of the Procurement Task Force into the Investigations Division, account should be taken of the comments and recommendations made in the Advisory Committee's reports (A/62/7/Add.35, paras. 16 and 23, and A/62/855, para. 159), which were endorsed by the Assembly in its resolutions 62/247 and 62/250.**

16. The Board of Auditors is of the opinion that the inevitably lengthy duration of investigations should lead the Administration to limit the use of investigations to those cases in which they are justified owing to specific elements and what is at stake (A/63/167, para. 42). The Board therefore recommends that the investigation procedure be used very cautiously, only when there are well-founded suspicions that rules have been broken and only after all other reasonable actions have been duly envisaged (A/63/167, para. 91 (c)). As indicated by the Secretary-General, in accordance with paragraph 12 of General Assembly resolution 59/287, it is mandatory for programme managers to report to the Office of Internal Oversight Services allegations of misconduct. The Office, in receiving allegations of misconduct, determines which matters it should investigate. The Investigations Division and the Procurement Task Force have established procedures to evaluate whether matters brought to the attention of the Office should be investigated and a case intake committee has been established to review information that may lead to an investigation (A/63/167/Add.1, paras. 11 and 12).

17. The Advisory Committee also recalls that, in accordance with General Assembly resolution 48/218 B and Secretary-General's Bulletin ST/SGB/273, the

Office of Internal Oversight Services exercises operational independence under the authority of the Secretary-General in the conduct of its duties and, in accordance with Article 97 of the Charter of the United Nations, has the authority to initiate, carry out and report on any action that it considers necessary to fulfil its responsibilities with regard to monitoring, internal audit, inspection, evaluations and investigations.

18. In this connection, the Committee notes that the Secretary-General, in his report (A/63/369, sect. III), which is submitted in response to paragraph 17 of General Assembly resolution 62/247, provided information on the investigations or administrative enquiries carried out by the Office of Internal Oversight Services and other internal entities of the Organization (category I and category II cases), their legislative basis and role, the number and types of cases handled, related resources, reporting mechanisms, standards and guidelines involved and training received. The Secretary-General also indicated, in paragraph 12 of his report contained in document A/63/167/Add.1, that the Office was in the process of preparing guidelines and training modules to assist managers in dealing with allegations of misconduct.

19. In the view of the Board of Auditors, the fact that the Procurement Task Force uncovered many more cases of mismanagement than of criminal conduct reinforces the need for the administration to clearly and strictly define the conditions under which an investigation should be launched. The Board is of the view that an investigation procedure must not be used routinely to improve accountability and efficiency in the management of services. For its part, the Office of Internal Oversight Services pointed out that many investigations that ultimately resulted in findings of mismanagement did not begin as such. It also stated that certain types of severe performance failure constituted misconduct. In that connection, the Secretary-General stated that, in regard to investigation of mismanagement, United Nations Administrative Tribunal decisions have defined severe mismanagement as misconduct that is subject to disciplinary action (A/63/167/Add.1, para. 12). The Secretary-General, in agreeing with the Office that severe performance failures might rise to the level of misconduct, reiterated that the institution of disciplinary action in such cases fell within his discretion and that a recommendation or finding by the Office of severe performance failing did not necessarily constitute misconduct or bind the discretion of the Secretary-General (A/63/329/Add.1, para. 7).

20. The Board of Auditors recommends that the rules and procedures applicable to all investigations in the United Nations be standardized and consolidated under an instruction of the Secretary-General, ensuring that the instruction is systematically provided to the staff interviewed (A/63/167, para. 91 (d)). The Secretary-General indicated in paragraph 14 of his report that development of a comprehensive investigation manual by the Office of Internal Oversight Services was well advanced, that a full draft was due to be available by September 2008 and that, once completed, it would be made available to staff. A revision and expansion of key standard operating procedures, to align the Office with best practices in the system and developing jurisprudence affecting investigations, had been completed and other standard operating procedures, designed specifically for investigators, were being expanded. A comprehensive investigation learning programme to be integrated with the new manual was also under development in order to build the capacity of managers and staff with a role in the investigative process. The full complement of

learning modules was expected to be developed by the end of 2008 and training of managers expected to commence by early 2009. **The Committee stresses the need to complete this work as soon as possible. The Committee is also of the opinion that a Secretary-General's Bulletin would be the appropriate means for conveying to the staff the standardized and consolidated rules of procedure applicable to all investigations in the United Nations.**

21. The Board of Auditors refers in its report to the fact that in spite of great care taken by members of the Procurement Task Force to guarantee the security and confidentiality of documents used in investigations in their offices, press outlets disseminated certain confidential information relating to Task Force investigations at the end of 2007 (A/63/167, para. 88). **The Advisory Committee concurs that the administration must become more vigilant to prevent the breaching of confidentiality of its work.**

22. As indicated by the Board of Auditors, the Procurement Task Force participates as a non-voting invitee in the deliberations of the Vendor Review Committee. The Procurement Task Force provides information relating to investigations and has contributed to the suspension of several vendors (as at 31 March 2008, the number of vendors subject to sanctions, stood at 35 (A/63/167, para. 51)). The Office of Internal Oversight Services, in its report on the activities of the Task Force for the period from 1 July 2007 to 31 July 2008, elaborated on vendor investigations and identified several areas where the Task Force had recommended improvements in the regulatory framework, including amendments to the United Nations General Conditions of Contract, the Procurement Manual, the vendor screening process, information-sharing between the Secretariat and the funds and programmes, as well as proposals for strengthening the Organization's vendor sanctions regime, including providing for financial sanctions, beyond the traditional sanctions regime currently employed (removal and suspension of vendors) (A/63/329, paras. 26-41). The Office recognized that some of those recommendations drew upon the experience of the Procurement Task Force on procurement investigations and on an in-depth examination of processes and procedures of other international organizations, such as the Asian Development Bank and the World Bank.

23. **The Advisory Committee notes that many of these recommendations are within the Secretary-General's responsibility. It welcomes the measures that are presented in his report (A/63/329/Add.1, paras. 9-15).** The Secretary-General indicated his support as regards proposals for strengthening the vendor sanctions regime and stated his belief in the advisability and necessity for the Organization to undertake an in-depth review of the procedures other institutions have in place and to obtain lessons learned information from them. **The Advisory Committee recommends that the Secretary-General proceed with such a review with a view to making recommendations on the legislative framework for establishing such a regime.**

24. The Office of Internal Oversight Services report on the activities of the Procurement Task Force (A/63/329, para. 42) also provides information on the implementation of the recommendations of the Task Force, referrals for prosecution and recovery actions. In that connection, the Office stated that the Task Force had issued 68 recommendations during the period from 1 July 2007 to 31 July 2008, of which 34 remained unaddressed. These included some matters involving referrals of

cases to national authorities and consideration of legal action to be taken by the Organization with regard to the recovery of funds. The Secretary-General reiterated that the findings of the Task Force should be regarded as those of the Task Force and not a final determination by the Organization and that, according to him, such matters required careful review and consideration by all concerned units of the Organization, which cannot be avoided and must be taken into account, including the impact on privileges and immunities, the likelihood of success of the claim if pursued, impact on the reputation of the Organization, evaluation of expected cost and benefit of entering into such action, exposure of the Organization to financial and other risks and potential impact on the internal justice system of the Organization (A/63/329/Add.1, paras. 3 and 16-24).

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General debate

Note verbale dated 29 September 2008 from the Permanent Mission of Indonesia to the United Nations addressed to the President of the General Assembly

The Permanent Mission of the Republic of Indonesia to the United Nations presents its compliments to the President of the General Assembly at its sixty-third session and has the honour to forward herewith a statement of the delegation of the Republic of Indonesia in its exercise of the right to reply to the statement delivered by the President of the Republic of Vanuatu in the general debate on 26 September 2008 (see annex).

The Permanent Mission of the Republic of Indonesia to the United Nations has further the honour to request that the present note verbale and its annex be circulated as a document of the General Assembly, under agenda item 8.

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Annex to the note verbale dated 29 September 2008 from the Permanent Mission of Indonesia to the United Nations addressed to the President of the General Assembly

Statement of the delegation of Indonesia in exercise of its right of reply

General debate, sixty-third session of the General Assembly, 26 September 2008

The delegation of the Republic of Indonesia wishes to exercise its right of reply in relation to the statement made by the President of the Republic of Vanuatu on 26 September 2008. The delegation of Indonesia is deeply disturbed by his suggestion that the legality of Indonesia's sovereignty over Papua, the easternmost part of the country, is questionable.

In this regard, the delegation of Indonesia wishes to assert that the reintegration of the territory into the Unitary State of the Republic of Indonesia through the 1969 Act of Free Choice is valid, legal and irrevocable. The status of Papua as part of Indonesia is final and was endorsed in 1969 by the General Assembly in its resolution 2504 (XXIV).

Papua was an integral part of the Netherlands East Indies. From the administrative point of view, the Dutch colonial government administered the whole territory of the Netherlands East Indies from Batavia (present-day Jakarta). From the territorial point of view, the indivisibility of Papua as part of the Netherlands East Indies was recognized in the London Agreement of 1824 between Great Britain and the Netherlands, and reflected in the 1825 map of the Netherlands East Indies, which places Papua as its easternmost boundary.

When declaring independence, Indonesia's founding fathers referred to the whole territory of the Netherlands East Indies as the legitimate territory of Indonesia. This is in line with the principle of *uti possidetis* in international law, by which the successor State would inherit the whole territorial boundary of a colony. As far as Indonesians are concerned, the 1945 proclamation of independence was in itself an act of self-determination, covering the whole territory of Indonesia from Sabang (the westernmost part of Sumatra island) to Merauke (the easternmost part of Papua).

The 1969 Act of Free Choice was carried out on the basis of the New York Agreement of 1962 as a solution to the conflict between Indonesia and the Netherlands arising out of the latter's recalcitrance to return West Papua to the former. This solution was fully endorsed by the United Nations, and through General Assembly resolution 2504 (XXIV), the final status of Papua as a legitimate part of Indonesia was sealed.

Therefore, the effort to reopen the question of the legality of Indonesia's sovereignty over Papua is irrelevant and will only serve the interests of secessionists, which runs counter to the purposes and principles of the United Nations as contained in the Charter.

Finally, it must be borne in mind that international law ensures that a State or Government that represents all of its peoples on the basis of equality and without discrimination, and respects the principles of self-determination, is entitled to maintain its territorial integrity. In this regard, we would like to stress that Indonesia, as the world's third-largest democracy, ensures that every citizen enjoys the same rights.

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Review of the efficiency of the administrative and financial functioning of the United Nations

Report on the activities of the Office of Internal Oversight Services

Information requested in paragraph 17 of General Assembly resolution 62/247

Information-sharing practices between the United Nations and national law enforcement authorities, as well as referrals of possible criminal cases related to United Nations staff, United Nations officials and experts on mission

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the information requested in paragraph 17 of General Assembly resolution 62/247 (A/63/369) and on information-sharing practices between the United Nations and national law enforcement authorities, as well as referrals of possible criminal cases related to United Nations staff, United Nations officials and experts on mission (A/63/331). During its consideration of the reports, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. The Advisory Committee notes that the report of the Secretary-General on information requested in paragraph 17 of General Assembly resolution 62/247 (A/63/369) was prepared by the Secretary-General in cooperation with the Office of Internal Oversight Services (OIOS). The report provides information on the status of implementation of General Assembly resolution 59/287, including information on training, reporting of allegations of misconduct, managerial action in cases of misconduct, the mechanism to protect staff reporting misconduct and the resolution of disputed findings (paras. 3-17). The report also provides information on all

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administrative enquiries and investigations carried out by OIOS and other internal entities of the Organization (category I and category II cases), their legislative mandates and role, the number and types of cases handled, related resources, reporting mechanisms, the standards and guidelines involved and related training (paras. 18-22) including the status of work to establish a training capacity for programme managers to handle category II cases of misconduct and assessment of such work (paras. 23-26). **The Committee recommends that the General Assembly take note of the information provided in the report of the Secretary-General.**

3. The report of the Secretary-General on information-sharing practices (A/63/331) was submitted pursuant to paragraph 19 of General Assembly resolution 62/247, in which the Assembly requested the Secretary-General to submit a report on the practices relating to the sharing of information between the Organization and law enforcement authorities of Member States, as well as to referrals to such authorities of possible criminal cases related to United Nations staff, United Nations officials and experts on mission, taking into account Assembly resolution 62/63 and other relevant legal instruments. The Advisory Committee notes that another report on criminal accountability of United Nations officials and experts on mission (A/63/260 and Add.1), addressing similar issues, which has been prepared by the Secretary-General in response to paragraph 10 of Assembly resolution 62/63, will be considered by the Sixth Committee during the sixty-third session of the Assembly.

4. As indicated in the report of the Secretary-General on information-sharing (A/63/331, paras. 2 and 3), section 21 of the Convention on the Privileges and Immunities of the United Nations, adopted on 13 February 1946, constitutes the legal basis for the Organization's cooperation with law enforcement authorities of Member States. In addition, United Nations officials, in accordance with the Staff Regulations and Rules of the United Nations, and experts on mission, pursuant to the regulations governing the status, basic rights and duties of officials other than Secretariat officials, are required to comply with local laws and honour their private legal obligations. United Nations peacekeeping operations and their members are also bound to respect all local laws and regulations and their special representatives/commanders should take all appropriate measures to ensure the observance of those obligations, as provided in the model status-of-forces agreement for peacekeeping operations.

5. The sources of privileges and immunities of the United Nations, its officials and experts on mission are described in the report of the Secretary-General (A/63/331, paras. 4-10). In this connection, the Advisory Committee notes that "United Nations officials" include all staff members of the United Nations (excepting those recruited locally and assigned to hourly rates), as well as United Nations Volunteers when provided in the status-of-forces agreement and standard basic assistance agreements of the United Nations Development Programme (UNDP). The "experts on mission" include persons engaged on a consultant contract or designated by United Nations organs to carry out missions or functions for the Organization and, in the context of peacekeeping operations or peace support operations, military observers, military liaison officers, military advisers, arms monitors, members of formed police units, seconded individual United Nations police and seconded corrections officers, as provided in the relevant status-of-forces or status-of-mission arrangements.

6. The Secretary-General refers to the practices relating to information-sharing and referrals to national law enforcement officials in section IV of his report. Two principal situations are described. The first relates to situations in which the Organization, using its own investigative processes, establishes credible allegations that reveal that a crime may have been committed by United Nations officials or experts on mission and such allegations or evidence are brought to the attention of the Member State having jurisdiction over the alleged conduct. Given the legal issues involved, including those related to the privileges and immunities of the United Nations under the General Convention, such cases are reviewed by the Office of Legal Affairs before a final determination is made on any referral (A/63/331, paras. 12-14).

7. The second scenario relates to situations in which the Organization is approached by a Member State for access to information or material and/or witnesses in the context of an external investigation by law enforcement authorities and/or criminal proceedings being conducted by a Member State (ibid, paras. 15-18). In cases where law enforcement authorities of Member States require access to information or material held by the United Nations or to United Nations officials or experts on mission, the law enforcement authorities request such access in writing. As indicated in paragraph 18 of the report, United Nations officials and experts on mission are immune from legal process in respect of words spoken or written and all acts performed by them in their official capacity. Once a determination is made that it is in the interest of the Organization to cooperate with law enforcement authorities, either the documentary information or material or the officials or experts are made available on a voluntary basis, without prejudice to the privileges and immunities of the United Nations and those accorded to the official or experts concerned. The nature and extent of the cooperation depends on the opinion of the Secretary-General of the United Nations interest at stake in the matter.

8. If the law enforcement authorities of a Member State require formal testimony or wish to file criminal proceedings against a United Nations official or expert on mission in connection with a matter arising in the context of the official duties of that official or expert, such authorities must make a written request to the Organization, generally through their permanent missions to the United Nations, for the waiver of immunities of the individual concerned. Information on requests by law enforcement authorities for waivers of immunity for the purposes of formal testimony and/or formal proceedings involving a United Nations official or expert on mission is provided in paragraphs 19 to 25 of the report (A/63/331). As indicated therein, according to the General Convention, the Secretary-General has "the right and duty to waive immunity of any official in any case where, in his opinion, the immunity would impede the course of justice and can be waived without prejudice to the interests of the United Nations" (ibid, para. 20). The decision whether to waive immunity in any particular case is the Secretary-General's exclusive authority.

9. The Advisory Committee was informed that the Secretary-General strives to establish as much consistency as possible in handling criminal cases within the United Nations system and seeks to uphold respect for the law by United Nations personnel and their accountability for breaches, as well as the protection of the privileges and immunities essential for the Organization's independence in the fulfilment of its purposes. The Committee requested information containing data on the waiver of immunities of United Nations and experts on mission from 1 January

2004 to the present. **This information should be provided directly to the General Assembly.**

10. **The Advisory Committee is of the opinion that the information-sharing practices between the United Nations and national law enforcement authorities, as well as referrals of possible criminal cases related to United Nations staff, United Nations officials and experts on mission, are extremely important issues that go to the heart of the independence of the international civil service and the ability of other officials of the United Nations to carry out their duties effectively, including accountability for personal conduct. The Committee notes that the issues dealt with in the Secretary-General's report (A/63/331) have administrative and far-reaching legal implications, affecting United Nations officials in duty stations all over the world. The procedures for such cooperation with host countries, in particular in situations involving requests for waivers of immunity, must be consistent and transparent.**

11. **The Advisory Committee recommends that the General Assembly take note of the report of the Secretary-General on information-sharing practices (A/63/331). In addition, the Assembly may wish to consider whether the report should also be considered by the Sixth Committee, together with the report of the Secretary-General on criminal accountability of United Nations officials and experts on mission (A/63/260 and Add.1) (see para. 3 above).**

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Elections to fill vacancies in principal organs: election of eighteen members of the Economic and Social Council

Letter dated 17 October 2008 from the Permanent Representative of Iceland to the United Nations addressed to the President of the General Assembly

I have the honour to inform you that, according to the rotation agreement within the Group of Western European and Other States for membership in the Economic and Social Council, Iceland is relinquishing its seat on the Council at the end of the year 2008 for the remaining term in favour of Norway.

I would be grateful if you could have the present letter circulated as a document of the General Assembly.

(*Signed*) Hjálmar W. **Hannesson**
Ambassador
Permanent Representative

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Agenda item 107
Follow-up to the outcome of the Millennium Summit

Letter dated 16 October 2008 from the Permanent Representative of Switzerland to the United Nations addressed to the Secretary-General

On behalf of the Geneva Declaration core group of States,* I have the honour to transmit herewith the "Geneva Declaration on Armed Violence and Development" of 7 June 2006 (annex I) and the "Summit statement" (annex II) adopted at the conclusion of the Review Summit of the Geneva Declaration on Armed Violence and Development on 12 September 2008.

I should be grateful if the present letter and its annexes could be issued as documents of the sixty-third session of the General Assembly, under agenda item 107.

(*Signed*) Peter **Maurer**
Ambassador
Permanent Representative

* Core group: Brazil, Finland, Guatemala, Indonesia, Kenya, Morocco, the Netherlands, Norway, the Philippines, Spain, Switzerland, Thailand and the United Kingdom of Great Britain and Northern Ireland.

08-56439 (E) 281008

Annex I to the letter dated 16 October 2008 from the Permanent Representative of Switzerland to the United Nations addressed to the Secretary-General

Geneva Declaration on Armed Violence and Development

Armed violence destroys lives and livelihoods, breeds insecurity, fear and terror, and has a profoundly negative impact on human development. Whether in situations of conflict or crime, it imposes enormous costs on States, communities and individuals.

Armed violence closes schools, empties markets, burdens health services, destroys families, weakens the rule of law, and prevents humanitarian assistance from reaching people in need. Armed violence kills, directly and indirectly, hundreds of thousands of people each year and injures countless more, often with lifelong consequences. It threatens permanently the respect of human rights.

Living free from the threat of armed violence is a basic human need. It is a precondition for human development, dignity and well-being. Providing for the human security of their citizens is a core responsibility of Governments.

In the 2005 World Summit Outcome, global leaders recognized the strong linkage and mutual reinforcement between development, peace, security and human rights. They stressed the right of people to live in dignity, free from fear and from want.

The international community has acknowledged that armed violence and conflict impede realization of the Millennium Development Goals, and that conflict prevention and resolution, violence reduction, human rights, good governance and peacebuilding are key steps towards reducing poverty, promoting economic growth and improving people's lives.

The Peacebuilding Commission, by establishing an institutional link between security and development, will also promote an integrated approach to post-conflict peacebuilding and play a central role in addressing the problem of armed violence.

Recognizing these realities, we, Ministers and representatives from 42 countries, representing all the world's regions, have gathered in Geneva and have resolved to promote sustainable security and a culture of peace by taking action to reduce armed violence and its negative impact on socio-economic and human development.

We will strengthen our efforts to integrate armed violence reduction and conflict prevention programmes into national, regional and multilateral development frameworks, institutions and strategies, as well as into humanitarian assistance, emergency and crisis management initiatives.

We will work individually and together, at national, regional and multilateral levels, on practical measures that:

- Promote conflict prevention, resolution and reconciliation and support post-conflict peacebuilding and reconstruction;
- Stem the proliferation, illegal trafficking and misuse of small arms and light weapons and ammunition, and lead to effective weapons reduction, post-

conflict disarmament, demobilization and reintegration, and small arms control, including control of arms transfers and of illicit brokering;

- Uphold full respect for human rights, promote the peaceful settlement of conflicts based on justice and the rule of law and address a climate of impunity;
- Foster effective and accountable public security institutions;
- Promote a comprehensive approach to armed violence reduction issues, recognizing the different situations, needs and resources of men and women, boys and girls, as reflected in the provisions of United Nations Security Council resolutions 1325 (2000) and 1612 (2005);
- Ensure that armed violence prevention and reduction initiatives target specific risk factors and groups, and are linked to programmes providing non-violent alternative livelihoods for individuals and communities.

We will take further action to deal effectively both with the supply of and the demand for small arms and light weapons. This includes implementing fully existing instruments, in particular the United Nations Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects, and promoting the development of further international instruments, including legally binding ones.

We commit to enhancing the financial, technical and human resources devoted to addressing armed violence issues in a cooperative, comprehensive and coordinated manner, including working, inter alia, to advance this issue within the United Nations, the Organization for Economic Cooperation and Development and other relevant organizations.

We will support initiatives to measure the human, social and economic costs of armed violence, to assess risks and vulnerabilities, to evaluate the effectiveness of armed violence reduction programmes and to disseminate knowledge of best practices. We will work with affected States and communities and with the donor community, to promote solutions at the local, national, regional and global level.

We will strive to achieve, by 2015, measurable reductions in the global burden of armed violence and tangible improvements in human security worldwide.

We will work in partnership with the development, peace and security-building, public health, humanitarian, human rights and criminal justice communities and, recognizing the important role civil society has to play in reducing armed violence, promote active partnerships between Governments, international organizations and civil society.

We will present this declaration to the upcoming United Nations Conference to review the Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects.

We commit ourselves to pursuing this initiative in all appropriate fora and to meeting again no later than 2008 to assess our progress in achieving these goals.

Geneva, 7 June 2006

Annex II to the letter dated 16 October 2008 from the Permanent Representative of Switzerland to the United Nations addressed to the Secretary-General

Review Summit of the Geneva Declaration on Armed Violence and Development hosted by the Government of Switzerland and the United Nations Development Programme

Summit statement

We, the representatives of 85 countries, having gathered here today in Geneva to assess the progress made in implementing and to reaffirm our support and commitment to the goals laid down in the Geneva Declaration on Armed Violence and Development, adopted on 7 June 2006:

Commend the efforts made to date in implementing the Geneva Declaration on Armed Violence and Development through the promotion of sustainable security and a culture of peace by taking action to reduce armed violence and its negative impact on socio-economic and human development;

Recognize that development, peace and security and human rights are interlinked and mutually reinforcing, and that armed violence may hinder the achievement of the Millennium Development Goals;

Recognize also that national, regional and international development policies can provide important tools for the prevention of armed violence, and in this context resolve to continue working together to prevent and reduce armed violence in order to enhance the prospects for sustainable development at the global, regional, national and local levels for both the present and future generations;

Welcome the fact that to date 94 countries have adopted the Geneva Declaration on Armed Violence and Development, and encourage additional countries to do so;

Commend the Governments of Guatemala, Kenya and Thailand for having taken the initiative to host regional conferences on armed violence and development, which resulted in the adoption of regional declarations on armed violence and development that take into account regional and national specificities related to the incidence of armed violence;

Encourage States and relevant international and regional organizations to implement these regional declarations on armed violence and development;

Acknowledge that States bear the primary responsibility for preventing, reducing and ending armed violence in their territories through practical measures and appropriate mechanisms, including (a) the peaceful resolution of disputes, (b) respecting and protecting human rights, and (c) promoting sustainable development and a culture of peace;

Recall our commitment to strive to achieve measurable reductions in the global burden of armed violence by 2015 and commend the work already accomplished to promote the implementation of the Geneva Declaration through practical measures suggested in the Framework of Implementation;

Welcome and encourage the continued assessment of the impact of armed violence on girls, women, boys and men as an essential tool for advancing the implementation of the Geneva Declaration. We encourage the efforts undertaken at national and sub-national levels to develop methodologies and strategies to assess the impact of armed violence on socio-economic and human development;

Support the efforts adopted by countries as part of their national policies for promoting sustainable socio-economic development and for addressing the scourge of armed violence and its negative impacts on development as part of the practical implementation of the Geneva Declaration on Armed Violence and Development;

Encourage gender equality, and specifically the participation of women, in the design, implementation and evaluation of armed violence prevention and reduction programmes;

Recognize that partnerships among States, international, regional and subregional organizations, as well as civil society are essential for promoting comprehensive and integrated responses to effectively address the scourge of armed violence and its impact on socio-economic and human development;

Welcome the initiatives taken by the Governments of the Geneva Declaration core group of States to implement the objectives of the Geneva Declaration, including through concrete projects aimed at preventing and reducing armed violence and promoting sustainable development;

Encourage States and appropriate international and regional and subregional organizations in a position to do so, and upon request of the relevant authorities, to consider providing assistance, including technical and financial assistance where needed, for the implementation of initiatives aimed at the prevention and reduction of armed violence at national and local levels, while recognizing the important contribution that South-South cooperation can make to this end;

Affirm, however, that while adverse security conditions in a particular country may impede the implementation of armed violence prevention and reduction initiatives, this should not be used as a form of conditionality with respect to the provision of technical or financial assistance;

Note the 2005 decision of the Development Assistance Committee of the Organization for Economic Cooperation and Development to allow certain activities related to preventing and reducing armed violence to be considered eligible for official development assistance;

Reaffirm the commitments in the Millennium Declaration and the 2005 World Summit Outcome (United Nations General Assembly resolution 60/1) to advancing development, peace and security and human rights, and resolve to develop goals, targets and measurable indicators on armed violence and development as a complement to the Millennium Development Goals;

Reaffirm our support for United Nations efforts to promote armed violence reduction, in particular the implementation of the United Nations Programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons in All Its Aspects;

Commit ourselves to support and continue all further efforts to advance the goals of the Geneva Declaration on Armed Violence and Development in all appropriate forums including the United Nations General Assembly;

Encourage all those States that have adopted the Geneva Declaration on Armed Violence and Development to support and continue their efforts to disseminate the goals and principles of the Geneva Declaration at the international, regional, subregional and national levels;

Remain determined in our resolve to implement the Geneva Declaration on Armed Violence and Development, and in this regard agree to meet again not later than 2011 to assess our progress in achieving these common goals.

Geneva, 12 September 2008

United Nations A/63/495

General Assembly

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21 October 2008

Original: English

Sixty-third session
Agenda item 12
Prevention of armed conflict

Letter dated 17 October 2008 from the Permanent Representative of Cambodia to the United Nations addressed to the President of the General Assembly

I have the honour to transmit herewith a statement of the Spokesman of the Ministry of Foreign Affairs and International Cooperation of the Kingdom of Cambodia (see annex) on the unilateral de-mining activity by Thai soldiers in Cambodia's territory, which flagrantly contravenes international law and agreements between the two countries.

I should be grateful if you could arrange to have the present letter and its annex circulated as a document of the General Assembly, under agenda item 12, "Prevention of armed conflict".

(*Signed*) **Sea** Kosal
Ambassador
Permanent Representative of the
Kingdom of Cambodia to the United Nations

08-56357 (E) 231008

Annex to the letter dated 17 October 2008 from the Permanent Representative of Cambodia to the United Nations addressed to the President of the General Assembly

Statement of the Spokesman of the Ministry of Foreign Affairs and International Cooperation

In reference to the statement of the spokesman of the Ministry of Foreign Affairs of Thailand contained in the press release No. 506/2008 dated 14 October, which refers to Thailand's obligations to undertake the so-called "demining efforts in the area adjacent to the Temple of Preah Vihear" and the "investigations to verify whether the landmines in the area are old mines or recently deployed ...", in Cambodia's territory.

1. The unilateral demining activity by Thai soldiers in Cambodia's territory flagrantly contravenes the agreement made by both sides as stipulated in the following documents:

- The agreed minutes of the fourth meeting of the Cambodian-Thai Joint Commission for Bilateral Cooperation (JC) in 2002, point 72, which states that "both sides agreed to encourage close cooperation between the Cambodian Mines Action and Victim Assistance Authority (CMAA) and the Thai Mines Action Centre (TMAC) in order to set out coordination plan for demining operations in the border areas ...".
- The agreed minutes of the fifth meeting of the Cambodian-Thai Joint Commission for Bilateral Cooperation (JC) in 2006, point 71, which states that "... the two sides are prepared to set up a technical working group to discuss this matter as well as to determine priority areas for demining operations ...".
- The above principles were confirmed in the working papers made during the Cambodian-Thai Foreign Minister's meetings on 28 July 2008 in Cambodia and on 19 August 2008 in Thailand, which read "demining in a concerted manner the area to be surveyed and demarcated by JBC in accordance with the memorandum of understanding of 2000" and "determination to be made by JBC of the area to be cleared for the survey and demarcation work ...".

2. Moreover, for this Thai alleged reason of unilaterally "demining the areas which are to be surveyed and demarcated by the Cambodian-Thai Joint Commission on Demarcation for Land Boundary (JBC)", Thai forces were in effect occupying areas which are clearly situated within Cambodia's territory as demarcated by the relevant maps repeatedly endorsed by the two countries and recognized by the International Court of Justice as the basis for its judgment concerning the Temple of Preah Vihear in 1962.

3. Cambodia strongly reaffirms the fact that landmines in this border area are remnants of almost three decades of war. Even though mine explosion incidents are decreasing, Cambodian population living in the area still continue to suffer from mine accidents until today. It is quite apparent that Thai soldiers must have stepped on one of those mines after having trespassed into this mine-infested area near the border.

4. As one of the most severely affected victims of landmines, Cambodia was the first country to adopt, on 28 April 1999, national legislation to ban the use of

anti-personnel landmines. On the other hand, Cambodia was actively engaged in the formulation and strict implementation of the Anti-personnel Mine Ban Convention, signed in Ottawa on 3 December 1997.

5. It should be noted that, nowadays, Cambodia has no stock of mines. Even before the national legislation to ban landmines was passed, Cambodia had already begun its efforts to destroy landmines in 1992. Since then it has destroyed around 800,000 anti-personnel landmines. Cambodia has also offered to share its experience and expertise in demining victims of mines, such as the Sudan.

Phnom Penh, 16 October 2008

United Nations A/63/496

General Assembly

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21 October 2008

Original: English

Sixty-third session
Agenda items 118 and 132

Programme budget for the biennium 2008-2009

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

First progress report on the adoption of International Public Sector Accounting Standards by the United Nations

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the first progress report of the Secretary-General on the adoption of International Public Sector Accounting Standards by the United Nations (A/62/806). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification.

2. In its resolution 60/283, the General Assembly approved the adoption by the United Nations of the International Public Sector Accounting Standards (IPSAS), as well as the resources requested to begin the process of implementing IPSAS. In his report on the progress and impact assessment of management improvement measures (A/62/69), the Secretary-General provided an update on the adoption of IPSAS. In his first progress report, the Secretary-General set out a more comprehensive description of the progress made up to 31 March 2008 towards implementation of IPSAS across the United Nations system and at the United Nations itself. The Advisory Committee commented on the issue in its report on the financial reports and audited financial statements and reports of the Board of Auditors for the period ended 31 December 2007 (A/63/474, paras. 20-23).

3. The Advisory Committee notes from the first progress report of the Secretary-General that the system-wide IPSAS adoption project falls under the auspices of the Chief Executives Board High-Level Committee on Management, which is responsible for coordination in the administrative and management areas across the United Nations system. The substantive work of the Finance and Budget Network of the High-Level Committee on Management in the area of accounting standards is carried out by the Task Force on Accounting Standards. In addition, a system-wide Steering Committee for the project, which was established in March 2006 and is a

08-56364 (E) 231008

sub-group of the Task Force on Accounting Standards, is tasked with developing the broad accounting policies to support consistency and harmonization and with facilitating consideration of common implementation issues. Regional focus groups have also been established in New York, Geneva, Vienna and Rome. **The Advisory Committee notes the involvement of the High-Level Committee on Management and encourages the Secretary-General, as Chairman of CEB, to continue to make full use of the Network and the relevant task forces in order to enhance coordination of all aspects of the transition from the United Nations System Accounting Standards to IPSAS by the United Nations system and the implementation of the standards. The Advisory Committee recommends that the General Assembly request the Secretary-General to provide detailed information on the ongoing work of the High-Level Committee on Management in this regard in the second progress report on IPSAS, as well as in the next report of CEB.**

4. In his report (A/62/806), the Secretary-General noted that, since the approval by the High-Level Committee on Management of the system-wide project in 2005, progress had been most evident in the areas of project governance and organization, in the development of IPSAS-compliant harmonized accounting policies and guidance and in communication and training. In section II of the report, the Secretary-General provided details concerning the implementation strategy and progress achieved to date. The Secretary-General noted that the system-wide IPSAS adoption project included a "two-level" approach and phased implementation. The two-level approach involved providing resources at both the system-wide level and the individual organizational level. At the system-wide level, harmonized IPSAS accounting policies and guidance were developed through a consultative process; at the individual organization level, each entity was responsible for establishing its own project team and dedicating sufficient resources to ensure implementation of IPSAS. The phased implementation strategy recognized that some United Nations system organizations were at a more advanced stage of readiness for IPSAS adoption than others and were targeting implementation effective 2008, while the majority of the organizations would benefit from the lessons learned and were targeting IPSAS adoption effective 2010 or as soon as possible thereafter. **The Committee supports this approach and encourages the Secretary-General to draw on the experiences of other organizations and entities, wherever relevant and feasible.**

5. The Secretary-General also noted in his report that, in order for United Nations system organizations to meet the target of 2010 for adoption of IPSAS, significant progress must be made towards the implementation of the required information systems, the establishment of detailed IPSAS-compliant procedures and the training of staff by the end of 2009. Progress in that regard was assessed by the system-wide project team at six-month intervals. In this connection, the Advisory Committee recalls that the Board of Auditors had carried out a gap analysis relating to the implementation of IPSAS as well as new or upgraded enterprise resource planning systems (see A/63/5 (Vol. I), chap. II, paras. 121-124; and A/63/474, para. 20). The Board observed that United Nations entities were at different stages in the preparation for IPSAS and that a number of challenges remained. For example, the United Nations Development Programme IPSAS implementation plan had not yet been approved; the United Nations Human Settlements Programme had not yet initiated the preparation process; and the United Nations Office for Project Services

would require a tailor-made system to ensure compatibility with the Atlas system used by its business partners. In this connection, the Advisory Committee notes that the Joint Inspection Unit is carrying out a review of the preparedness of United Nations system organizations for IPSAS.

6. In his report, the Secretary-General stated that the Controllers of the United Nations Development Group Executive Committee agencies (United Nations Development Programme, United Nations Children's Fund, United Nations Population Fund and World Food Programme) and the Controller of the United Nations had been collaborating on the development of one set of harmonized financial regulations and rules for the five organizations to reflect the necessary changes required for the adoption of IPSAS (A/62/806, para. 51). Upon enquiry, the representatives of the Secretary-General indicated that the internal review process with regard to the harmonization of the financial regulations and rules was expected to be completed by the end of 2008 and that the proposed revisions would be submitted to the General Assembly in 2009.

7. In paragraph 17 of his report, the Secretary-General noted that one of the remaining IPSAS-compliant accounting policies still under consideration related to consolidation. IPSAS required that, if an organization was found to "control" another entity (where "control" was defined by IPSAS), then that entity must be fully consolidated into the organization's financial statements. The Advisory Committee commented on the matter of consolidation and control in its report on the financial reports and audited financial statements and reports of the Board of Auditors for the period ended 31 December 2007 (A/63/474, para. 22). **The Advisory Committee recommends that the General Assembly request the Secretary-General to provide an update on the status of consolidation or aggregation of the financial statements of the United Nations in his second progress report on the adoption of IPSAS.**

8. With regard to training, the Secretary-General explained in his report that a common system-wide approach to training was being pursued, which involved the following three phases: a training needs assessment; the procurement of training packages; and the deployment of training. In addition, formal awareness training would commence during the second half of 2008, with an estimated 3,500 United Nations staff members worldwide. Conceptual training using the products of the system-wide project was planned to begin during the first half of 2009, with about 1,200 United Nations staff members to be trained at the specialist level. The Committee was informed that IPSAS-related training would encompass 20 interactive and instructor-led modules and that regional training and a train-the-trainers approach were being considered in order to minimize training-related travel costs. The Committee was also informed that training activities would commence as close to the IPSAS implementation date as possible in order to ensure that participants would be able to apply their new knowledge without a significant time gap between training and practical use. **The Advisory Committee stresses the importance of ensuring that staff are fully trained in IPSAS in advance of its implementation and considers the approach of the Secretary-General to training prudent. The Committee emphasizes that the Secretary-General should continue his efforts in this respect and provide an update in his second progress report on the adoption of IPSAS.**

9. The Secretary-General stated in his report that future financial statements would be based on progressive incorporation of IPSAS standards, contingent on having the IPSAS-required modules of the enterprise resource planning system in place by the end of 2010. Upon enquiry, the Advisory Committee was informed that if the new enterprise resource planning system was operational by late 2010, it would then be possible to complete the financial statements and reports according to IPSAS standards by 2011. In this connection, the Committee recalls the Board of Auditors' observation that the delay in funding the enterprise resource planning would have a direct impact on the implementation of IPSAS and would be likely to result in its postponement to 2011 at the earliest, instead of 2010 as originally planned (see A/63/5 (Vol. I), chap. II, para. 123 (a)). **The Advisory Committee is of the view that it may be advisable to implement IPSAS in 2012 rather than in the middle of the biennial budget period. In this way, the financial statements for the biennium 2012-2013 could be prepared in accordance with IPSAS standards.**

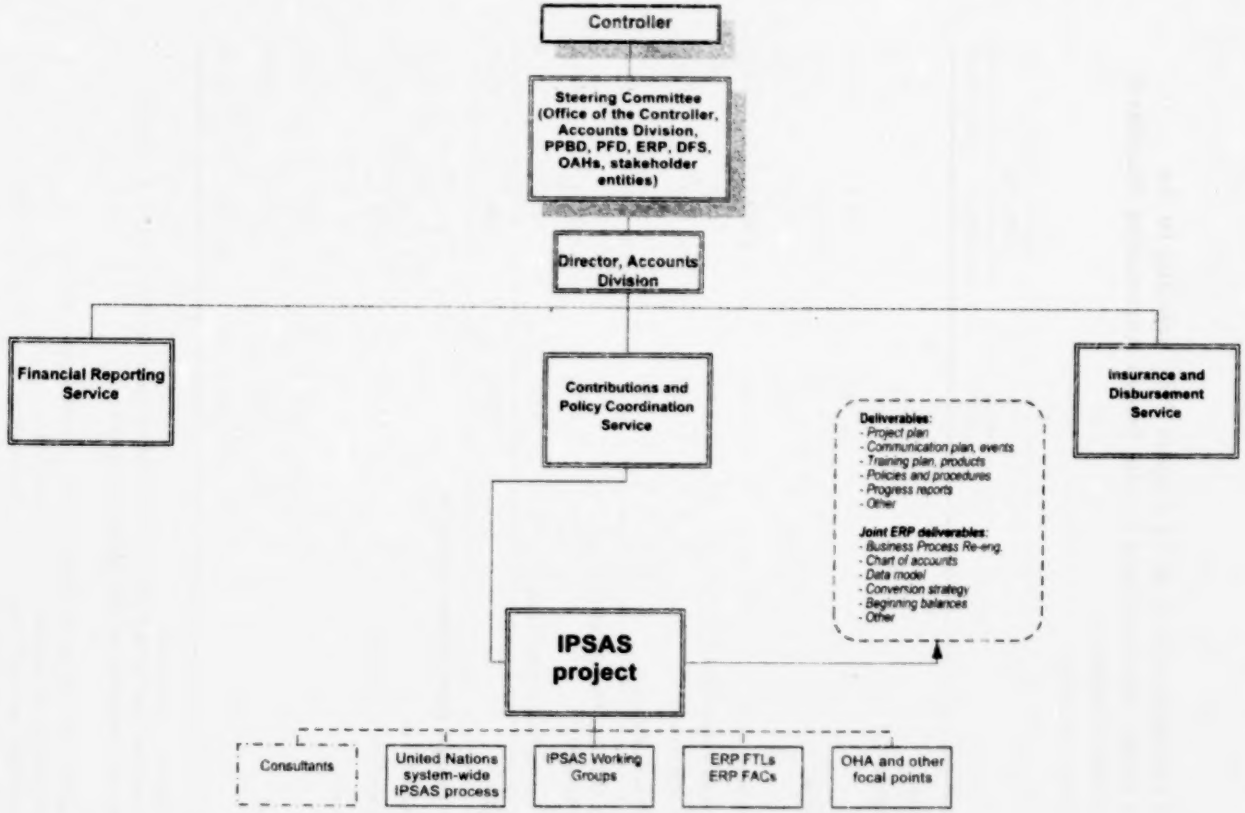
10. Upon request, the Advisory Committee was provided with a chart of the reporting structure of the United Nations IPSAS Steering Committee (see annex I). The Advisory Committee was informed that, at a policy and governance level, the IPSAS Steering Committee reported to the Controller, who was also a member of the steering committee on enterprise resource planning, and that the enterprise resource planning project would be setting up functional advisory committees, with the participation of the IPSAS project team, to interface with key stakeholder groups to ensure that the requirements of the Organization were taken fully into account. The Advisory Committee was also informed that the enterprise resource planning functional team leaders and the IPSAS project team interacted as a matter of routine.

11. Upon request, the Advisory Committee was provided with the status of expenditures as at 31 August 2008 relating to the adoption of IPSAS at the United Nations (see annex II). The Advisory Committee notes that total expenditures for the biennium 2006-2007 amounted to approximately $1.16 million dollars, out of a total appropriation of $4,433,100. For the biennium 2008-2009, as at 31 August 2008, approximately $1.03 million had been expended of the total appropriation of $12.3 million. **While the Committee recognizes that expenditure will likely accelerate as the implementation process progresses during the remainder of the biennium 2008-2009, it nonetheless expresses concern regarding the delays (see para. 5 above) affecting the preparedness of the United Nations and the training of its staff.**

12. **The Advisory Committee recognizes the considerable task involved in the preparation and implementation of IPSAS and notes the significant efforts under way. The Committee looks forward to the second progress report of the Secretary-General, as well as to the report of the Joint Inspection Unit on the system-wide preparedness of United Nations systems organizations for IPSAS (see para. 5 above). The Advisory Committee recommends that the General Assembly take note of the first progress report of the Secretary-General on the adoption of International Public Sector Accounting Standards by the United Nations.**

Annex I

Reporting structure of the International Public Sector Accounting Standards Steering Committee



Abbreviations
DFS Department of Field Service
ERP Enterprise resource planning project
ERP FACs functional advisory committees of the ERP project
ERP FTLs functional team leaders of the ERP project
IPSAS International Public Sector Accounting Standards
OAH offices away from Headquarters
PFD Peacekeeping Financing Division
PPBD Programme Planning and Budget Division
Stakeholder entities: United Nations Office on Drugs and Crime, United Nations Environment Programme, United Nations Human Settlements Programme, International Trade Centre, United Nations University, United Nations System Staff College, United Nations Institute for Training and Research

Annex II

Status of expenditures as at 31 August 2008 relating to the adoption of the International Public Sector Accounting Standards at the United Nations

(Thousands of United States dollars)

	2006-2007	*2008-2009*	
	expenditures	*Initial appropriation*	*Expenditures*[a]
Regular budget			
Object of expenditure			
Posts	370.4	1 145.4	437.5
Consultants	—	1 303.7	—[b]
Travel	10.2	237.5	15.2
Contractual services	16.4	2 769.8	0.8[b]
General operating expenses	5.8	21.8	4.5
Supplies and materials	0.1	4.3	0.1
Furniture and equipment	5.0	—	—
Section 28B, Office of Programme Planning Budget and Accounts	407.9	5 482.5	458.1
Section 30, Jointly financed activities	427.1	701.6	351.4
Subtotal	**835.0**	**6 184.1**	**809.5**
Support account for peacekeeping operations			
Object of expenditure			
General temporary assistance	324.2[c]	1 372.0	217.5[d]
Consultants	—	4 560.0	—[b]
Travel	—	200.0	—
Subtotal	**324.2**[e]	**6 132.0**[f]	**217.5**[g]
Total	**1 159.2**	**12 316.1**	**1 027.0**

[a] These figures are preliminary.

[b] Consultancy and training delayed to synchronize International Public Sector Accounting Standards and enterprise resource planning projects.

[c] Revised.

[d] One vacancy under the peacekeeping support account remains unfilled.

[e] Expenditures for the calendar years 2006 and 2007.

[f] Approved requirements for the 2008/09 peacekeeping fiscal year of $3.1 million, plus an equivalent estimate for 2009/10.

[g] Expenditures to date for the calendar year 2008.

United Nations A/63/497–S/2008/668

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Security Council

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General Assembly
Sixty-third session
Agenda items 13, 18, 47, 53, 64 and 79

Protracted conflicts in the GUAM area and their implications for international peace, security and development

The situation in the occupied territories of Azerbaijan

Macroeconomic policy questions

Eradication of poverty and other development issues

Promotion and protection of human rights

The rule of law at the national and international levels

Security Council
Sixty-third year

Letter dated 20 October 2008 from the Permanent Representative of Azerbaijan to the United Nations addressed to the Secretary-General

Upon instructions from my Government, I have the honour to transmit herewith the "Final statement and recommendations of the ninth meeting of the European Union-Azerbaijan Parliamentary Cooperation Committee" (see annex).

I would be grateful if you would have the present letter and its annex circulated as a document of the General Assembly, under agenda items 13, 18, 47, 53, 64 and 79, and of the Security Council.

(*Signed*) Agshin **Mehdiyev**
Ambassador
Permanent Representative

08-56483 (E) 241008

Annex to the letter dated 20 October 2008 from the Permanent Representative of Azerbaijan to the United Nations addressed to the Secretary-General

European Union-Azerbaijan Parliamentary Cooperation Committee

Ninth meeting
6-7 October 2008
Brussels

Final statement and recommendations
Pursuant to article 89 of the Partnership and Cooperation Agreement

Under the co-chairmanship of Mrs Marie Anne ISLER BEGUIN (Greens/EFA, France) and M ALESKEROV, Deputy Speaker of the Milli Mejlis, the ninth meeting of the EU-A Parliamentary Cooperation Committee was held in Brussels on 6-7 October 2008. The C exchanged views with Mrs Sevindj HASANOVA, Deputy Minister of Economic Development Mahmud MAMED-KULIYEV, Ambassador and Deputy Minister of Foreign Affairs, on beh Government of the Republic of Azerbaijan, Mrs Natasha BUTLER, on behalf of the French Pr in-Office of the European Union and Mr Giuseppe BUSINI, on behalf of the European Commis

The Parliamentary Cooperation Committee

State of play of the EU-Azerbaijan relations

1. reiterates its strongly-held view that the people of Azerbaijan share a common destiny w peoples of Europe, and that closer relations between the Republic of Azerbaijan and the Union, including further mutual enrichment of values, are in the common interest partners, requiring adoption, implementation and promotion of the commonly-shared democracy and respect for human rights all over Europe; in this regard, calls both partie all necessary measures towards harmonisation of legislation to create necessary condi and enrich future partnership and cooperation between the Republic of Azerbaijan European Union;

2. underlines the fundamental importance of a timely and complete implementation of Action Plan jointly adopted by the EU and Azerbaijan in November 2006;

3. notes that bringing Azerbaijan and the other two South Caucasus countries closer to should be aimed at promoting stability and prosperity among the democratic states of the

4. takes into account the resolution 1614 on "the functioning of democratic institu Azerbaijan" adopted by the Parliamentary Assembly of the Council of Europe on 24 Ju and urges the Azerbaijani authorities to address all issues raised in this document;

5. expresses its concern regarding the latest developments in the South Caucasus region, pa

in Georgia, stresses the interrelatedness of a number of problems in this region and the need for a solution in the form of a stability pact, with the involvement of the major external actors, underlines the need to enhance cooperation with the neighbouring countries of the Black Sea region; stresses its concern regarding the persistence of regional conflicts in the South Caucasus, reiterates its support to the territorial integrity, independence and sovereignty of Armenia, Azerbaijan and Georgia and calls for increased efforts towards a peaceful settlement of these regional conflicts, taking into account these principles;

6. emphasizes the key geographical position and strategic importance of Azerbaijan, which stands as a bridge between Europe and Asia, and, in this regard, stresses the importance of developing Trans-Caspian links with Central Asian countries; welcomes Azerbaijan's active cooperation in the European Commission's feasibility study regarding a Trans-Caspian Sea/Black Sea energy corridor, through the "Baku initiative", thus substantially contributing to strategic oil and gas pipeline projects, including the "Nabucco" gas pipeline and other strategic pipelines, linking the Caspian region and Central Asia with Europe;

7. realising that close partnership with the EU in the field of education, science, research and training is difficult to accomplish without promoting people-to-people contacts, urges both the European Commission and the Government of Azerbaijan to launch the EU-Azerbaijan dialogue on visas as soon as possible in accordance with the relevant provision of the EU-Azerbaijan ENP Action Plan;

8. welcomes the opening of the Delegation of the European Commission in Baku in February 2008 which has already increased effectiveness and strengthened coordination of the EU-Azerbaijan partnership, takes note of the fact that the Delegation staffing will be completed by the end of 2008;

9. welcomes the fact that Azerbaijan was recognized as the top reformer in 2007/08 in implementing business regulatory reforms and as one of the leading countries with investment-friendly economies in the joint report of the World Bank and the International Finance Corporation "Doing business 2009", also acknowledges the efforts made by the Government of Azerbaijan in the social sector, mainly in poverty reduction, and encourages the Government to continue its efforts in this direction;

10. takes note of the adoption of the State Programme for Poverty Reduction, adopted by the Azerbaijani Government on 15 September 2008, providing for thorough social reforms, tackling unemployment and establishment of a minimum wage;

Respect for human rights and the rule of law

11. calls on the Azerbaijani authorities to fully implement their clear commitment to respect human rights and fundamental freedoms, including freedom of expression and media; welcomes the adoption by the Azerbaijani Parliament in May 2008 of the amendments to the law on freedom of assembly, which has been a source of concern, as illustrated by the provisions of the ENP Action Plan, the PCA and the relevant obligations contracted by the country upon the accession to the OSCE and the Council of Europe;

12. looks forward to effective implementation of the European Commission -- Council of Europe Joint Programme on the penitentiary reform in Azerbaijan; notes the adoption by the Parliament of the Republic of Azerbaijan statute on changes and addenda to Penalty Implementation Code and Criminal Process Code, takes note of the efforts made by Azerbaijan to reform the penitentiary system, in particular to improve the conditions of detention through renovation works and trainings for the prison administration and staff; calls upon the authorities to continue and intensify measures regarding the conditions of prisoners of conscience and prisoners on long-term or life sentences;

13. calls on the Azerbaijani government to continue thoroughly investigating alleged cases of torture and ill-treatment incurred to prisoners by representatives of Azerbaijani law-enforcement agents during pre-trial detention period; in order to allow sanctions to applied to those responsible for such violent act;

14. while acknowledging the tolerance traditionally inherent in the Azerbaijani society, calls on the Azerbaijani authorities to improve the legislative and institutional framework regarding the protection of national minorities;

15. urges the Azerbaijani authorities to make sure that violence and threats of violence against journalists are properly investigated and that perpetrators are punished according to the law; calls on the Azerbaijani officials to refrain from filing defamation charges against journalists, in order to respect freedom of the media in the country;

16. while acknowledging the efforts that have been made in improving the selection and training of judges and noting that wages have been significantly increased, further concrete measures are necessary in order to ensure the real continuing reform of the judiciary;

17. draws the attention of the Azerbaijani authorities to the reported allegations of dubiously motivated criminal prosecutions and disproportionate sentences; call on the Executive power to reframe from interfering into the work of the judiciary, thus insuring its independence and professionalism;

The conflict in and around the Nagorno-Karabakh region of the Republic of Azerbaijan

18. calls for increased efforts of the OSCE Minsk Group and the entire international community towards settlement of the conflict on the basis of full respect of the sovereignty, territorial integrity and inviolability of internationally recognised borders of the Republic of Azerbaijan and of the rights of persons belonging to national minorities;

19. regrets that efforts to bring the three countries of the region closer together are hampered by the persistence of armed conflicts caused by territorial claims and separatism; takes note of allegations that conflict zones are often used as safe heavens for organised crime, money laundering, illicit drug trafficking and smuggling of weapons;

20. welcomes the achievement in increased cooperation and a unified approach in efforts of the European Union and the United States towards peaceful solutions of unresolved conflicts in the South Caucasus, which would assure these states' territorial integrity within their internationally recognized borders;

21. stresses its concern regarding the persistence of regional conflicts in the South Caucasus, welcomes further the support to the territorial integrity, independence and sovereignty of Armenia, Azerbaijan, and Georgia, and efforts towards a peaceful settlement of these conflicts taking into account these and other relevant principals of international law, as expressed in the Bucarest Summit Declaration issued by the Heads of State and Government participating in the meeting of the North Atlantik Council in Bucarest on 3 April 2008;

22. takes note of the United Nations General Assembly Resolution "on the situation in the occupied territories of Azerbaijan", adopted on 14 March 2008, which expresses serious concern that the armed conflict in and around the Nagorno-Karabakh region of Azerbaijan continues to endanger international peace and security, reaffirms Azerbaijan's territorial integrity, expresses support for its internationally recognised borders and demands the immediate withdrawal of Armenian forces from the occupied territories;

23. deplores that the hundreds of thousands of internally displaced persons from the occupied territories of Azerbaijan, victims of the ethnic cleansing in the early 1990's, are still deprived of their rights to return safely and in dignity to their homes; calls, in this regard, withdrawal of Armenia's forces from all occupied territories of Azerbaijan, including Nagorno-Karabakh and return of displaced populations to their homes;

24. stresses that reconciliation between the Armenian and Azerbaijani peoples is essential for the stability and prosperity of the South Caucasus region; calls for their constructive cooperation based on goodwill, modern thinking and the opportunities offered by the ENP, from which all could benefit;

25. calls on all EU institutions and on the Azerbaijani authorities to redouble their efforts and to intensify their cooperation in order to ensure a greater EU contribution in achieving a sustainable solution to the conflict;

Regional and international cooperation

26. expresses its concern regarding the latest developments in the South Caucasus region, particularly in Georgia and calls for increased efforts towards a peaceful settlement of the regional conflicts;

27. under the circumstances, welcomes the important role that Azerbaijan is playing within the framework of the Organisation of the Black Sea Economic Cooperation, in particular as far as the security of energy sources and production is concerned;

28. strongly supports the ongoing efforts made by Azerbaijan in the framework of the Organisation for Democracy and Economic Development (GUAM) for enhancing regional cooperation and multilateral relations;

29. recalls that the ENP Action Plans highlight the importance of the Regional Environment Centre for the South Caucasus; calls upon the European Commission to pursue its financial support to this regional cooperation structure, calls upon Azerbaijan to consider its financial support to this structure of the three countries of the South Caucasus.